



Notification to the ASX
12 February 2008
Preliminary Final Results
Reckon Limited (RKN)
ACN: 003 348 730

Headline results up

The company reported the following headline results:

- Group revenue was up 23% from \$45.6 million to \$56.2 million.
- Group EBITDA was up 26% from \$13.0 million to \$16.5 million.
- Group NPAT was up 21% from \$8.2 million to \$9.9 million.
- EPS was up 21% from 6.2 cents to 7.5 cents per share.
- Final dividend of 3 cents per share – 100% franked.
- Operating cash flow was up 19% to \$14.6 million with a cash balance of \$14.1 million at 31 December 2007.

2nd half growth up

Significantly, in respect of key indicators, growth in the second half of 2007 was significantly higher than growth in the first half:

- Second half revenue 2007 up 24% on 2006 (first half revenue 2007 up 22% on 2006).
- Second half EBITDA 2007 up 30% on 2006 (first half EBITDA 2007 up 23% on 2006).
- Second half NPAT 2007 up 27% on 2006 (first half NPAT 2007 up 16% on 2006).

QuickBooks®

Quicken®

ReckonTools

ReckonElite

aps
Acoustic Technology

SHELCO
ASX:SLC



Reckon Limited Group CEO, Clive Rabie said:

“The overall performance in 2007 in itself is very satisfying. It was especially pleasing to see that strong average revenue growth of 18% over the last 3 years has been built upon in 2007 to 23%, and second half growth substantially out stripped growth in the first half.

Organic growth continues to be strong. Underlying business operating revenue was up by 17% and EBITDA by 27% over 2006.

In the Business Division, sales growth for 2007 was 23% up on 2006 while EBITDA for 2007 showed 27% growth on 2006.

A significant feature for our business in 2008 will be the launch of the QuickBooks QBi range which represents a ‘step change’ in technology and functionality for small businesses and opens the enterprise market to our company.

While the New Zealand business disappointed, an investment in marketing and organisational changes in 2007 should result in an improved result in 2008.

The development investment in our newly acquired Shelco business (a provider of a range of online services, including: company registration, unit trusts establishment, family trusts establishment, self-managed super fund establishment, domain name registration, business names searches, and financial, corporate and statutory information searches) continued throughout 2007 and provides an opportunity for the company to pursue its strategy of widening the product offering to our customers in 2008 and beyond.

In the Professional Division, APS continues to show steady growth. Revenue for 2007 was up 24% on 2006. EBITDA for 2007 was also 24% up on 2006. Although growth in the second half of the year was slower, investment in staff resources to meet increasing demand (especially consultancy resources) should reap benefits beginning in the second quarter of 2008.

APS’ position as the product of choice amongst the Top 100 accounting firms was further confirmed by the conclusion of product supply contracts with two of the Top 4 accounting firms during the year.

Given our strong cash position we will continue to explore acquisition opportunities for businesses and technology to enhance our product and service offerings to existing customers in our territories.”

For further information, please contact Mr Clive Rabie, Group CEO, Reckon Limited, (02) 9577 5946, clive.rabie@reckon.com.au. Or contact Mr Chris Hagglund, Group CFO, (02) 9577 5414, chris.hagglund@reckon.com.au

*Preliminary Final Report**Financial Year Ended 31 December 2007*

Results for announcement to the market

	31 Dec 2007 \$'000	31 Dec 2006 \$'000	% Change
Revenue	56,153	45,615	+23%
Profit before income tax	13,334	11,002	+21%
Profit for the year	9,893	8,169	+21%
Net Profit attributable to members	9,893	8,169	+21%
Earnings per share	7.5 cents	6.2 cents	+21%

Group revenue: Up 23%**Group EBITDA: Up 26%****Business division revenue: Up 23%****Business division EBITDA: Up 27%****Professional division revenue: Up 24%****Professional division EBITDA: Up 24%****Final Dividend****3 cents per share, fully franked****Net Tangible Assets per Security**

The net tangible assets per security as at 31 December 2007 is 8.2 cents per share (2006: 7.7 cents per share).

Dividend

The board declared a final dividend for Reckon Limited of 3 cents per share to shareholders on 12 February 2008. The dividend will be franked. The record date for payment of the dividend is 9 March 2008. An interim dividend of 2.5 cents was paid on 10 September 2007. This takes the company's dividend payout ratio to 74% of NPAT.

Audit

This report is based on accounts which are in the process of being audited.

Commentary

A very strong revenue growth result has enabled the group to invest in the future and still record a substantial uplift in profitability.

Organic growth continues to be strong. Underlying business operating revenue was up by 17% and EBITDA by 27% over 2006.

In the Business Division, sales growth for 2007 was 23% up on 2006 while EBITDA for 2007 showed 27% growth on 2006.

A significant feature for our business in 2008 will be the launch of the QuickBooks QBi range which represents new technology and functionality for small businesses and opens the enterprise market to the company.

While the New Zealand business disappointed, an investment in marketing and organisational changes in 2007 should result in an improved result in 2008.

The development investment in Shelco continued throughout 2007 and provides an opportunity for the company to pursue its strategy of widening the product offering to our customers in 2008 and beyond.

In the Professional Division, APS continues to show steady growth. Revenue for 2007 was up 24% on 2006. EBITDA for 2007 was also 24% up on 2006. Although growth in the second half of the year was slower, investment in staff resources to meet increasing demand (especially consultancy resources) should reap benefits beginning in the second quarter of 2008.

APS concluded product and services supply contracts with two of the Top 4 accounting firms during the year.

The company will continue to explore acquisition opportunities for businesses and technology to enhance our product and service offerings to existing customers in our territories

Clive Rabie
Director, Group CEO
12 February 2008
